

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
2004-007

2. STATE  
Florida

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
January 1, 2004

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
42 CFR 435.725

7. FEDERAL BUDGET IMPACT:  
a. FFY 2004 \$16,048  
b. FFY 2005 \$20,696

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
Attachment 2.6-A, page 3c

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):  
None

10. SUBJECT OF AMENDMENT:

Post-Eligibility Treatment of Institutionalized Individuals' Incomes

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT  
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED:  
Will be forwarded when received.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

For Mr. Bob Sharpe

14. TITLE:

Deputy Secretary for Medicaid

15. DATE SUBMITTED: February 19, 2004

16. RETURN TO:

Mr. Bob Sharpe  
Deputy Secretary for Medicaid  
Agency for Health Care Administration  
2727 Mahan Drive, Mail Stop #8  
Tallahassee, FL 32308

Attention: Kay Newman

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

February 19, 2004

18. DATE APPROVED:

February 23, 2004

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

January 1, 2004

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Renard Murray

22. TITLE: Associate Regional Administrator  
Division of Medicaid & Children's Health

23. REMARKS:

Approved with the following change to Item 8:

Change "Attachment 2.6-a, page 3c" to "Supplement 3 to Attachment 2.6-A, Page 1)

Change authorized by State Agency e-mail dated 02/20/04.

Post-Eligibility Treatment of Institutionalized Individuals' Incomes

Effective January 1, 2004, the following policy will be applied in considering medical expense deductions for institutional care cases in the post-eligibility treatment of income in accordance with 42 CFR 435.725. The state will recognize as an uncovered expense and deduct from an institutional resident's income any premium, deductible, or coinsurance charges for health insurance coverage.

The following reasonable limits will be placed on other incurred medical expense deductions for residents of medical institutions in the post-eligibility treatment of income:

1. The service or item claimed as a deduction from the resident's income must be a medical/remedial care service recognized under state law.
2. Only medically necessary services and items will be allowed as deductions.
3. Services and items covered and paid for under the Medicaid State Plan will not be allowed as deductions.
4. Services and items covered by and paid for under the Medicaid nursing or other facility per diem will not be allowed as a medical expense deduction.
5. For medically necessary services and items not covered by the Medicaid State Plan, the actual paid amount will be used as the deduction, subject to the following limit: the highest of a payment/fee recognized by Medicare, commercial payers or any other third party payer for the same or similar item.
6. Other resident health insurance policies will be treated as first payer and the beneficiary will have to demonstrate that other insurance has not/will not cover the claimed expense.

Amendment 2004-007  
Effective January 1, 2004  
Supersedes 85-08

Approval **FEB 23 2004**